

To: Day, Christopher[Day.Christopher@epa.gov]; Hutchinson, Margaret (USAPAE)[Margaret.Hutchinson@usdoj.gov]
From: Trakis, Lisa
Sent: Thur 9/5/2013 2:31:36 PM
Subject: FW: EPA & PADEP IMA Update

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FYI.

Ralph also left me a voice message to see if we could have a face to face meeting the week of 9/23. It sounded as if he was thinking of a technical meeting, but I will call back to confirm that and to get a better understanding of the proposed agenda.

Do we know if the City has signed the modification at this point? That is something that we were hoping to wrap up this fiscal year.

Thank you,

LT

From: Ralph Johnson [mailto:ralph.johnson@readingpa.org]
Sent: Thursday, August 29, 2013 4:17 PM
To: Trakis, Lisa; Arbaugh, Shawn
Cc: Charles Jones
Subject: EPA & PADEP IMA Update

Lisa and Shawn,

The City of Reading really appreciates the cooperative relationship it has with EPA and DEP in moving forward with the City's obligations to improve its wastewater treatment plant under the Consent Decree. Recently, you asked for a brief update on the status of the City's negotiation of a new Intermunicipal Agreement in connection with the City's treatment of wastewater from the outlying municipalities.

In the fourth quarter of 2012, the City reached an agreement with Muhlenberg Township and Laureldale Borough. These two municipalities, along with the City make up approximately 79% of the capacity reserved at the wastewater treatment plant. The City kept pushing to resolve questions and concerns from the other municipalities, but it became apparent that the smaller volume contributors were waiting for Spring and Cumru Townships to sign before they would be willing to step forward.

The City made significant strides to reach an agreement with Spring and Cumru in the first and second quarters of 2013, but negotiations recently reach an apparent impasse. The City made substantial concessions in an attempt to accommodate Spring and Cumru Townships' concerns. When it appeared that we had resolved virtually all of the issues, Spring and Cumru raised a new issue by asking the City to provide an indemnification that the City views as totally unacceptable.

We communicated this to Spring and Cumru, but it appears that they may also be unwilling to concede on this brand new negotiating point. As a result, the dialog has somewhat stalled. We believe we can still overcome this impasse and have seen some movement on this issues by the solicitor of Cumru. The City plans to resume discussions in the next couple of weeks by having the City's Administration reach out directly to individual Supervisors to understand their rationale and attempt to resolve the impasse.

Most recently, we learned from the US Attorney's Office that the City may be assessed a fine of \$150,000, as I understand, as a result to the prior leaks from sections of the 42" Force Main that were compromised as a result of the construction of the 422 bypass. I am not sure how that type of a fine may negatively affect our negotiations. I am concerned that it may cause additional finger pointing and give the municipalities additional ammunition to stall the negotiation. That information has not gone public as of yet.

Please let me know if you have any questions, I am happy to discuss.

Thank you,

Ralph E. Johnson

Wastewater Manager